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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/404,518 09/23/99 SERKIN

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EXAMINER

TM02/1016

DENIS G MALONEY
FISH & RICHARDSON PC
225 FRANKLIN STREET
BOSTON MA 02110-2804

CALVE, J
ART UNIT

PAPER NUMBER

2164
DATE MAILED:

10/16/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.

09/404,518

Applicant(s)

SERKIN, Stuart et al

Examiner

Jim Calve

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Sep 10, 2001.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on Sep 23, 1999 is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- *See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) ☐ Notice of References Cited (PTO-892)
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____
- 18) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other:

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DETAILED ACTION

Drawings

1. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they include the following reference sign(s) not mentioned in the description: (12g) (Figure 1).

Correction is required.

2. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description:

a. Quote/order collector facility (25), which is described as being included in storage (22c) and executed in memory (22b), is disclosed in Figure 1 as: "OCF, 25" with an arrow pointing generally to "quote/order collector facility, 20". Also, OCP 25 is disclosed in Figure 2B and page 6, lines 13-14 of the specification.

b. Interface (21) (page 5, line 15) is disclosed as INTERFACE, 27 in Figure 2A.

c. Quote update manager (26e), lock/cross quote manager (26f), odd lot execution manager (26g) are either missing or incorrectly labelled per page 7, lines 2-5 of the specification.

Correction is required.

Specification

3. The disclosure is objected to because of the following informalities:

a. The reference to a copending patent application at page 11, lines 20-25 is incomplete.

b. There appears to be a typographical error on page 12, line 9: "OCF 20".

Appropriate correction is required.

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Claim Rejections - 35 USC § 112

4. Claims 16 and 17 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

a. Claims 16 and 17 recite a "system of claim 1"; however, claim 1 recites a method.

Claim Rejections - 35 USC § 102

5. Claims 1-18, as best understood, are rejected under 35 U.S.C. 102(e) as being anticipated by Martyn et al, U.S. patent 6,195,647.

Martyn et al disclose a method, system, and program for executing a market order, including receiving a market participant order (e.g., market maker/other) (e.g., column 2, line 4 et seq; column 3, line 27 et seq; column 8, line 3 et seq), checking market participant identification (e.g., column 7, line 58 et seq; column 8, line 9 et seq) to match quotes of best bid/offer price by market participant identification (e.g., filling preferential orders as a Market Maker in a security) (e.g., column 9, line 29 et seq), matching on a time priority basis (e.g., column 7, line 3 et seq).

Martyn et al also disclose matching-off orders against an opposite side best bid/offer (e.g., column 9, line 47 et seq), without regard to time priority (e.g., column 9, line 29 et seq; column 9, line 65 et seq), canceling a quote (e.g., via kill button 6080) (e.g., Figure 6; column 9, line 35 et seq), routing orders to market participants with the best bid or offer (e.g., column 8, line 3 et seq), checking orders against proprietary/agency quotes (e.g., column 9, line 16 et seq), negotiation order entry system (e.g., SelectNet; column 8, line 3 et seq; column 9, line 24 et seq).

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6. Claims 1-18, as best understood, are rejected under 35 U.S.C. 102(b) as being anticipated by Kalmus et al, U.S. patent 4,674,044.

Kalmus et al disclose a method, system, and program for executing market orders, including receiving market orders (e.g., column 1, line 6 et seq), checking if market participant identification of an order matches market participant identification of a system quote at a best bid/offer (e.g., inherently disclosed) (e.g., column 1, line 26 et seq; column 1, line 54 et seq). Kalmus et al are deemed to disclose inherently matching of market participant identification with best bid/offer (e.g., in those instances in which market maker/specialist submits an order in a security in which that party is the principal) (e.g., column 2, line 30 et seq; column 4, line 50 et seq; column 5, line 5 et seq).

Kalmus et al also disclose routing and matching-off best bids and offers without regard to time priority (e.g., column 1, line 54 et seq; column 4, line 22 et seq; column 5, line 5 et seq; column 5, line 60 et seq; column 9, line 50 et seq), calling a cancel request to cancel a quote (e.g., column 5, line 35 et seq), proprietary and agency quotes (e.g., column 4, line 15 et seq; column 5, line 30 et seq; column 5, line 60 et seq), negotiation (e.g., column 5, line 35 et seq), order execution systems (e.g., column 10, line 24 et seq).

Claim Rejections - 35 USC § 102/103

7. Claims 1-5, 9-13, and 18, as best understood, are rejected under 35 U.S.C. 102(e) as anticipated by or, in the alternative, under 35 U.S.C. 103(a) as obvious over Gutterman et al, U.S. patent 5,297,031.

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Guttermann et al disclose a method, system, and program for executing market orders, including receiving a market order (e.g., column 2, line 32 et seq; column 5, line 59 et seq), checking if market participant identification of an order matches market participant identification of a system quote at a best bid/offer (e.g., column 5, line 9 et seq). Guttermann et al are deemed to disclose a method, system, and program that matches best bid/offer prices in a system against market participant orders by identification. To the extent that Guttermann et al could be interpreted otherwise, it would have been obvious to one of ordinary skill in the art at the time of the invention to provide such allow internal matching or netting of market participant orders against a market participant's book as a means of maintaining a market in a particular security (e.g., column 5, line 4 et seq).

Guttermann et al also disclose matching best bid and offer without regard to time priority (e.g., with respect to price) (e.g., column 5, line 9 et seq), calling a cancel request (e.g., at block 140 in Figure 2b).

Response to Arguments

8. Applicant's arguments filed September 10, 2001 (Paper #6) have been fully considered but they are not persuasive. As an administrative matter, it is noted that alleged drawing corrections, mentioned in applicant's remarks (Paper #6, page 5) and the amendments to claims 16 and 17, described in applicant's remarks (Paper #6, page 6) have not been received. To expedite prosecution of this application, the examiner has responded to those remarks of record.

Martyn et al are deemed to disclose a method, system, and program to match a market participant identification to an order that contains a market participant identification, as discussed

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in paragraph 5 of this office action, and as broadly recited. Further, market participants provide identification to the system (e.g., Figures 1; column 4, line 30 et seq; column 7, line 58 et seq; column 8, line 9 et seq). This identification is used to place preferential orders (e.g., column 9, line 29 et seq). If market participants forward preferential orders "at market" to their own book, the system can match off the orders against market participant system quotes at the best bid or best offer price (e.g., 8011, 8012, 8015) (e.g., Figure 8; column 9, line 65 et seq) without regard to time priority.

Kalmus et al are deemed to disclose a method, system, and program to match a market participant identification to an order containing that market participant identification, as discussed in paragraph 6 of this office action, and as broadly recited. The market order system, which provides a means for a market participant to make a market in a security (e.g., column 1, line 26 et seq), retrieves and stores the best bid and offer price of a security in which a market is made by a market participant (e.g., column 1, line 16 et seq; column 1, line 54 et seq; column 4, line 23 et seq). In those instances in which a market participant submits an order to be executed at the current prevailing market (e.g, column 3, line 1 et seq), the order system matches the order associated with that market participant against the market participant's best bid or offer (e.g., column 5, line 23 et seq; column 6, line 25 et seq; column 6, line 64 et seq; column 7, line 16 et seq). The market order system accomplishes this task by qualifying orders for execution and comparing order content fields with predetermined stored parameters that include operative bid and asked current market prices (e.g., column 1, line 60 et seq). Moreover, the system continues to monitor orders associated with a market participant so that market orders not immediately

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executable against a market participant's quote may become so subsequently (e.g., column 5, line 30 et seq). The method, system, and program of Kalmus et al thereby ensures that orders associated with a market participant are executed at the best price of that market participant (e.g., column 9, line 54 et seq).

Guttermann et al disclose a method, system, and program to match a market participant identification to an order containing that market participant identification, as discussed in paragraph 6 of this office action, and as broadly recited. Guttermann et al disclose known, prior art order systems that match orders based on market maker identification (e.g., column 5, line 4 et seq) to include orders at the best bid or offer price (e.g., "market orders"/orders placed "at market") (e.g., column 5, line 37 et seq). In those instances in which market participants make a market in a security, the participants would match their orders against the best bid and offers (e.g., column 5, line 12 et seq). To the extent that Guttermann et al could be interpreted otherwise, it would have been obvious to one of ordinary skill in the art at the time of the invention to provide such an order management system to, *inter alia*, maintain an orderly market in a security (e.g., column 5, line 4 et seq), such market providing the best price to orders while also maximizing profits by netting such orders against a market maker's own book of orders (e.g., column 5, line 12 et seq).

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).



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